

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 SSO-00 NSCE-00

EB-07 ERDA-05 ERDE-00 OES-03 FEA-01 CIAE-00 INR-07

NSAE-00 INRE-00 L-03 ACDA-05 SAJ-01 COME-00 DODE-00

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FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC NIACT IMMEDIATE 4053

AMEMBASSY LIMA NIACT IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 2 BRASILIA 1481

LIMA FOR THE SECRETARY

E.O. 11652: GDS

TAGS: OVIP (KISSINGER, HENRY A.)

SUBJ: MINISTER UEKI'S INTEREST IN MEETING WITH SECRETARY

1. SUMMARY. MINISTER OF MINES AND ENERGY UEKI WOULD ACCEPT INVITATION TO VISIT US IF LAST YEAR'S INVITATION SHOULD BE RECONFIRMED BY SECRETARY. THE MINISTER IS ALSO INTERESTED IN EXPLORING POSSIBILITIES FOR JOINT RESEARCH IN ENERGY BETWEEN ERDA AND HIS MINISTRY. END SUMMARY.

2. ON WEDNESDAY, FEBRUARY 18, PROFESSOR RODRIGUES BARBALHO, SECRETARY GENERAL OF THE MINISTRY OF MINES AND ENERGY, REQUESTED A MEETING WITH EMBASSY'S ECONOMIC COUNSELOR TO DISCUSS MINISTER UEKI'S PARTICIPATION IN THE SECRETARY'S FORTHCOMING VISIT. BARBALHO STRESSED THAT HIS APPROACH WAS MADE WITHOUT THE KNOWLEDGE OF THE FOREIGN MINISTRY, THAT HE AND THE MINISTER CONSIDERED THE CONVERSATION PRIVILEGED, AND THAT THEY ASSUMED THE EMBASSY WOULD HONOR THEIR CONFIDENCE.

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3. BARBALHO SAID HIS MINISTRY--AND HE IMPLIED OTHER

MIISTRIES AS WELL--WERE DISSATISFIED WITH FOREIGN
MINISTRY'S EFFORT TO MAINTAIN FULL CONTROL OVER SECRETARY'S
PROGRAM. HE WAS INTERESTED TO KNOW THE SUBJECTS SECRETARY
WAS LIKELY TO RAISE IN AREAS UNDER UEKI'S JURISDICTION
AND THOSE WHICH HE WOULD BE PREPARED TO DISCUSS IF THEY
ARE RAISED BY THE BRAZILIAN SIDE. COUNSELOR SAID UEKI
WOULD FIND THE SECRETARY WELL PREPARED SHOULD THE
MINISTER RAISE QUESTIONS IN THE AREAS OF THE
NEGOTIATION OF A NEW BILATERAL NUCLEAR AGREEMENT
AND AN EXAMINATION OF POSSIBILITIES FOR JOINT
BINATIONAL ENERGY RESEARCH PROJECTS. IN FACT, AS
BARBALHO KNEW, THE USG WOULD WELCOME A CLARIFICATION OF
WHETHER GOB WAS STILL INTERESTED IN RENEGOTIATING
THE BILATERAL AGREEMENT.

4. BARBALHO THEN REFERRED TO THE STATUS OF THE
INVITATION TO MINISTER UEKI TO VISIT THE US, AND
ASKED WHETHER SECRETARY WAS PLANNING TO RAISE IT
DURING HIS VISIT. COUNSELOR SAID THAT THE INVI-
TATION STILL STOOD. IF THIS WAS USEFUL, EMBASSY
WOULD RECOMMEND TO SECRETARY THAT HE RE-
ITERATE THE INVITATION DURING HIS DISCUSSIONS. AN
IMPORTANT QUESTION WAS THE RELATIONSHIP OF SUCH
A VISIT TO THE TWO-STEP SCENARIO FOR THE RENEGOTIA-
TION OF THE BILATERAL NUCLEAR AGREEMENT. COUNSELOR
RECALLED THAT NOGUEIRA BATISTA, HEAD OF NUCLEBRAS,
HAD SUGGESTED LAST YEAR THAT FORMAL NEGOTIATIONS
BE PRECEDED BY A LESS FORMAL, CONFIDENTIAL
MEETING TO EXPLORE BASIC CONCEPTS
AND DETERMINE WHETHER COMMON GROUND WAS
SUFFICIENT TO PROCEED WITH FULL-SCALE FORMAL NEGO-
TIATIONS. WHILE THERE WAS NO FORMAL DECISION ON
THE US SIDE, TENTATIVE US PLANNING WAS BASED ON THIS
TWO-STEP APPROACH. WE WOULD WELCOME AN EARLY
VISIT BY MINISTER UEKI TO THE US; HOWEVER, THE
IMPLICATIONS FOR THE NEGOTIATION SCENARIO SHOULD
BE EXPLICITLY ADDRESSED BY BOTH SIDES IN THE PLANS
FOR THE VISIT.

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FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC NIACT IMMEDIATE 4054

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C O N F I D E N T I A L SECTION 2 OF 2 BRASILIA 1481

LIMA FOR THE SECRETARY

5. AFTER CONSULTING WITH THE MINISTER, BARBALHO
REPORTED THE FOLLOWING:

(A) RENEGOTIATION OF BILATERAL NUCLEAR AGREEMENT.
IN THIS AREA, MINES AND ENERGY WOULD HAVE TO FOLLOW
SILVEIRA'S POLITICAL LEAD. UEKI WOULD NOT RAISE
THE SUBJECT ON HIS OWN BUT IF IT WERE
RAISED BY THE SECRETARY HE WOULD BE PREPARED TO DISCUSS IT.
A STATEMENT BY THE SECRETARY THAT
THE US WAS WILLING TO RENEGOTIATE THE AGREEMENT
WOULD FORCE THE FOREIGN MINISTRY AND THE NATINAL
SECURITY COUNCIL TO CONSIDER THE US OFFER. UEKI
WOULD BE A FULL PARTICIPANT IN SUCH A REVIEW.
ASKED WHETHER BRAZIL WAS STILL INTERESTED IN OPENING
THE DISCUSSIONS, BARBALHO EQUIVOCATED BUT IN NO
SENSE WAS DISCOURAGING. HE LEFT THE IMPRESSION
THAT THE DECISION WOULD BE MADE BY PRESIDENT GEISEL
THROUGH BRAZIL'S NSC SYSTEM AND THAT UEKI WOULD
BE IN FAVOR OF EXPLORING THE POSSIBILITY OF A NEW
AGREEMENT.

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(B) UEKI VISIT TO THE US. IF THE SECRETARY SHOULD
REAFFIRM LAST YEAR'S INVITATION, UEKI WOULD ACCEPT.
BARBALHO AND OTHER MEMBERS OF THE MINISTER'S IMMEDIATE
STAFF WERE IN FAVOR OF A TRIP TO THE US. BARBALHO
THOUGHT THE MINISTER COULD MAKE THE TRIP SOON,
CERTAINLY BEFORE MID-YEAR. A PROGRAM COULD INCLUDE
A MEETING WITH ERDA OFFICIALS ON THE POSSIBILITIES
FOR COOPERATIVE RESEARCH IN THE ENERGY
AREA AND US INVESTMENT OPPORTUNITIES IN AREAS UNDER
THE MINISTER'S JURISDICTION (SEE BELOW).

(C) AREAS FOR COOPERATION. UEKI WOULD RAISE POSSIBILITIES FOR US-BRAZILIAN COOPERATION IN THE COLLECTIVE MEETING WITH SILVEIRA AND THE ECONOMIC MINISTERS ON FRIDAY AT 12:30 PM. BARBALHO LISTED FOUR MAJOR AREAS OF INTEREST TO UEKI AND SAID THERE MIGHT BE OTHERS, WHICH HE WOULD COMMUNICATE TO THE EMBASSY.

(1) COOPERATION IN THE EXPLORATION AND EXPLOITATION OF SHALE OIL. BARBALHO SAID BECHTEL AND EXXON WERE STRONGLY INTERESTED IN PURSUING THESE POSSIBILITIES.

(2) RELATIONSHIP BETWEEN PRIMARY EXPORTING COUNTRIES AND INDUSTRIAL COUNTRIES. UNDER THIS HEADING, BARBALHO SAID, UEKI WAS ESPECIALLY INTERESTED IN THE SUPPORT BY EXIM BANK AS WELL AS THE IDB AND IBRD OF THE CARAJAS IRON ORE PROJECT.

(3) EXCHANGE OF INFORMATION ON LICENSING AND SECURITY OF NUCLEAR INSTALLATIONS. BARBALHO SAID THAT THE MINISTRY WAS NOW ESTABLISHING AN OFFICE FOR THIS, AND WOULD LIKE TO DRAW ON US EXPERIENCE.

6. BARBALHO THEN COMMENTED ON THE POSSIBILITY THAT UEKI MIGHT HAVE AN OPPORTUNITY TO SPEAK TO THE SECRETARY PRIVATELY AND INFORMALLY. IF SUCH AN OCCASION SHOULD PRESENT ITSELF, UEKI WOULD WISH TO DISCUSS HIS VIEW THAT BRAZIL SHOULD ABANDON ITS THIRD WORLD STANCE AND ASSOCIATE

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ITSELF WITH THE FIRST WORLD. THE ISSUE WAS HOW THIS COULD BE ACCOMPLISHED. THE MINISTER EVIDENTLY COULD NOT SPEAK TO THIS SUBJECT IN A FORMAL MEETING IN THE PRESENCE OF THE FOREIGN MINISTER. (SEE BRASILIA 0582, REPORTING UEKI'S VIEWS ON THIS SUBJECT WHICH HE EXPRESSED IN CONNECTION WITH JAVIT'S VISIT.)

7. THE COUNSELOR SAID THE EMBASSY COULD NOT COMMIT THE SECRETARY ALTHOUGH WE HAD ALWAYS STRONGLY FAVORED THE MINISTER'S INCLUSION IN THE SUBSTANTIVE DISCUSSIONS. WHILE WE COULD NOT FORSEE HOW MATTERS MIGHT DEVELOP, AND DID NOT KNOW WHAT THE SECRETARY'S WISHES WERE, THERE MIGHT BE AN OPPORTUNITY OF A PRIVATE OR SEMI-PRIVATE DISCUSSION BETWEEN THE SECRETARY AND UEKI TOWARD THE END OF THE FRIDAY EVENING RECEPTION AT THE AMBASSADOR'S RESIDENCE, AFTER THE FOREIGN MINISTER'S DE-

PARTURE INASMUCH AS THE SECRETARY, AS HOST, WOULD BE OCCUPIED WITH SILVEIRA AS HIS GUEST OF HONOR AND COULD NOT DETACH HIMSELF READILY. BARBALHO, WITHOUT PRESSING THE POINT, COMMENTED THAT BOTH THE FIRST WORLD-THIRD WORLD QUESTION AND THE BILATERAL NUCLEAR AGREEMENT WOULD BE GOOD TOPICS FOR SUCH A CONVERSATION.

8. COMMENT: WE HAVE RECEIVED A NUMBER OF INDICATIONS THAT THE INCLUSION OF THE ECONOMIC MINISTERS--UEKI, SEVERO GOMES, AND PAULINELLI--IN THE FRIDAY NOON MEETING HAS BEEN THE RESULT OF SEVERE BUREAUCRATIC INFIGHTING, WITH THE ECONOMIC MINISTERS RESISTING FOREIGN MINISTER'S EFFORTS TO CONTROL SECRETARY'S SCHEDULE AND ACCESS TIGHTLY. BARBALHO SAID HE AND BELOTTI (SECRETARY GENERAL OF THE MINISTRY OF INDUSTRY AND COMMERCE) HAD GONE DIRECTLY TO THE OFFICE OF THE PRESIDENCY TO OBTAIN THE INCLUSION OF THEIR MINISTERS IN THE SUBSTANTIVE MEETING. WE UNDERSTAND THAT REIS VELLOSO AND SIMONSEN HAVE BEEN HOPING TO SEE THE SECRETARY ALONE, WITHOUT FOREIGN MINISTRY PARTICIPATION.
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